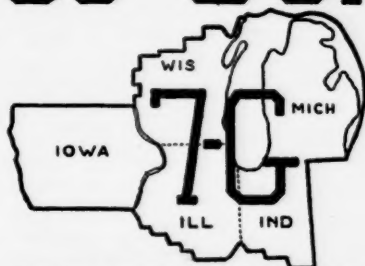


# BUSINESS CONDITIONS

SEVENTH  
FEDERAL



RESERVE  
DISTRICT

Volume 7, No. 12

MONTHLY REVIEW PUBLISHED BY THE  
FEDERAL RESERVE BANK OF CHICAGO

December 1, 1924

## BUSINESS CONDITIONS IN THE UNITED STATES

**P**RODUCTION of basic commodities and factory employment showed further increases in October, and distribution of merchandise was in large volume. The general level of wholesale prices advanced, reflecting largely a rise in the prices of agricultural products.

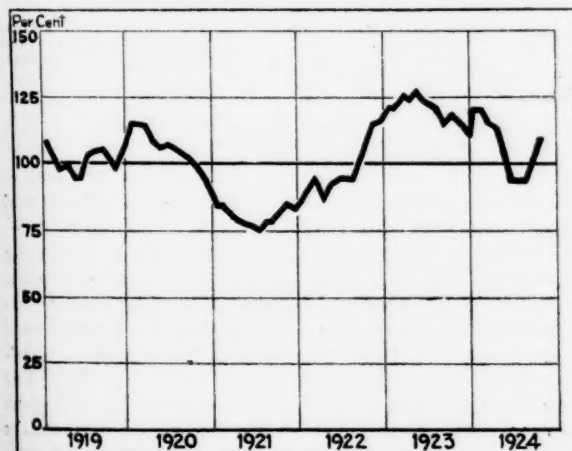
**PRODUCTION**—The Federal Reserve Board's index of production in basic industries, adjusted to allow for seasonal variations, increased 6 per cent in October, and was 16 per cent above the low point of midsummer, though still considerably below the level of the early months of this year. Output of iron and steel, cotton and woolen textiles, lumber, and bituminous coal was substantially larger than the month before. Factory employment increased 2 per cent in October, reflecting larger working

forces in most of the manufacturing industries. Building contract awards increased and were 14 per cent above a year ago.

Crop estimates by the Department of Agriculture in November showed increases in the expected yields of corn, cotton, tobacco, and potatoes. The movement of crops to market in October reached the largest volume in five years and exports of grain and cotton were in greater volume than in the corresponding month of any recent year.

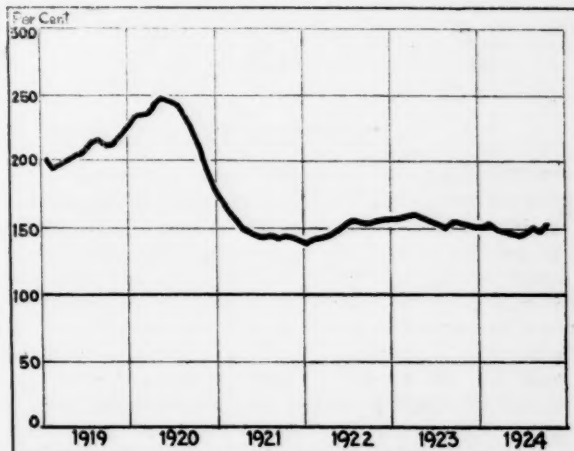
**TRADE**—Railroad freight shipments were larger in October than in any previous month, owing to exceptionally heavy loadings of miscellaneous merchandise and grain. Wholesale trade increased slightly, but was 3 per cent less than in October, 1923. Sales of dry goods, shoes, and hardware were

PRODUCTION IN BASIC INDUSTRIES



Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest figure, October, 1924: 109.

WHOLESALE PRICES



Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by the Bureau). Latest figure, October, 1924: 152.

Compiled November 26, 1924

considerably smaller than a year ago, while sales of groceries and drugs were larger. Department store sales showed a seasonal increase but were 4 per cent less than last year, and sales of mail order houses and chain stores also increased and were in greater volume than in 1923. In preparation for Christmas trade merchandise stocks at department stores increased substantially and were 2 per cent larger than a year ago.

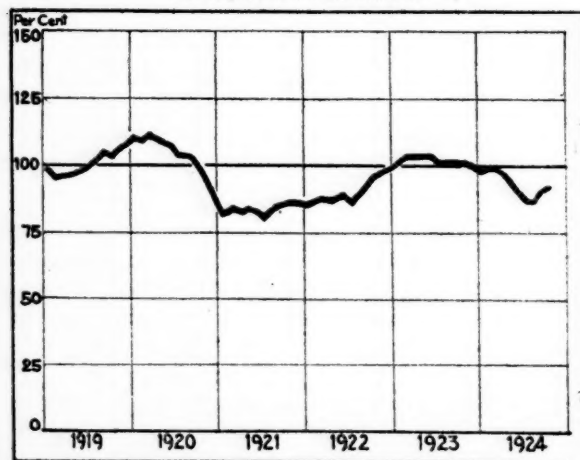
**PRICES**—The wholesale price index of the Bureau of Labor Statistics rose 2 per cent in October as a result of considerable advances in the prices of farm products and foods, and slight increases in the prices of clothing and chemicals. Fuel and metal prices declined and prices of building materials and house furnishings were practically unchanged. During the first half of November quotations on all grains, cotton, silk, copper, and rubber advanced, while prices of raw sugar and bituminous coal declined.

**BANK CREDIT**—Loans for commercial purposes at member banks in leading cities, which had increased rapidly from the beginning of September to the middle of October,

advanced only slightly in the following four weeks. The growth of loans secured by stocks and bonds was also relatively small, notwithstanding great activity in the securities market. Holdings of investments by these banks continued the increase which began in the early months of the year. A large part of the increase in demand deposits during the four weeks ending November 12, when they were higher than at any previous time, was in bankers' balances, indicating a continued movement of funds to the large centers.

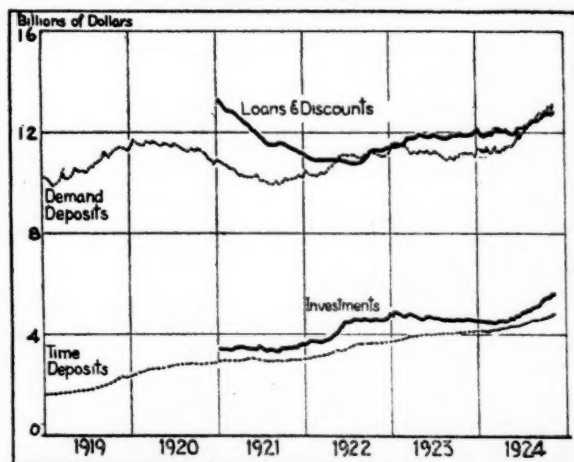
At the Reserve banks an increase in earning assets was the result of larger offerings of acceptances reflecting firmer money conditions. While discounts and holdings of United States securities remained practically unchanged during the four weeks ending November 19, the increase in acceptances carried total earning assets to the highest point since the early part of the year. Money in circulation increased in October for the third successive month and the total on November 1 was \$215,000,000 larger than in August. Money rates continued to show a firmer tendency and by November 23 were generally from  $\frac{1}{4}$  to  $\frac{1}{2}$  of one per cent higher than in October.

FACTORY EMPLOYMENT



Index for 33 manufacturing industries (1919=100). Latest figure, October, 1924: 91.5.

MEMBER BANK CREDIT



Weekly figures for member banks in 101 leading cities. Latest figures, November 12, 1924: Loans and Discounts, 12,872 million; Demand Deposits, 13,196 million; Investments, 5,660 million; Time Deposits, 4,823 million.

## BUSINESS CONDITIONS IN THE SEVENTH RESERVE DISTRICT

**T**HE broadening in activity here and there visible since summer in business conditions of the Middle West is assuming more extensive proportions, early reports for November indicating increasingly enlarged developments. During October, however, the upward movement was somewhat retarded, industry and trade both tending to mark time.

Industrial labor figures for the district showed no increase over the preceding period in the number of men at work, the slightly higher payrolls resulting from a steadier employment. Likewise, automobile production statistics for October registered very little change from September, and were considerably below a year ago. In iron and steel, although output increased substan-

tially, demand was comparatively light until the end of the month when buying became heavier with railroad and construction purchasers leading.

For the latter industry, the warm weather prevailing during October was conducive to active operations throughout the month so that contracts awarded exceeded those in September and a year ago; permits issued showed increases in number and value over the preceding month, but were smaller than for October, 1923. The weather was favorable also for agriculture, affording much needed although belated help toward maturing the corn crop, as well as facilitating the harvesting and marketing of other products.

The coal market, on the other hand, was adversely

affected by the unusual temperature which curtailed demand for domestic sizes, although output continued to expand. Also somewhat reduced was the demand for seasonable merchandise, department store sales especially showing a less than usual expansion. Similarly, in wholesale trade, the October-September comparisons were in general less favorable than in previous years. Railroads, nevertheless, reached a new weekly record in the amount of freight handled, with grain shipments and merchandise and miscellaneous loadings exceeding the corresponding 1923 volumes.

Inventory comparisons both with the preceding month and last year vary for different commodities. On the whole, however, stocks are well regulated and accumulation, where occurring, is seasonal in nature. Collections showed general improvement during October—in part a normal fall feature and in part the reflection of the better financial conditions.

Other financial developments during the month were the active bond market, the increase in savings accounts and in the volume of cancelled checks, and the slightly higher level of loans to member banks by the Federal Reserve bank. An encouraging drop took place in the size of business failures in the district.

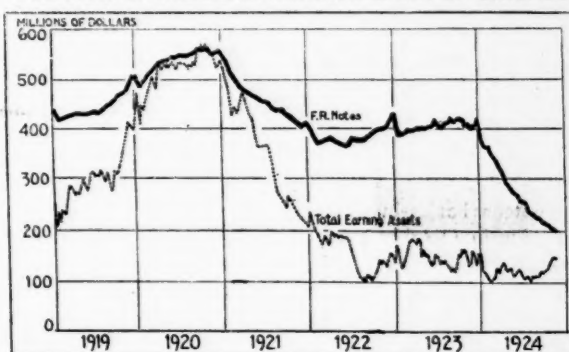
## BANKING CONDITIONS AND MONEY RATES

Aside from evidences of a slightly heightened credit demand for grain moving, no change of significance has taken place in the banking situation in this district during the month. A greater degree of optimism is apparent, but no marked increase in business and industrial activity has appeared. Rates in Chicago have held their own, present quotations being substantially those of a month ago, with the exception of a strengthening tendency in rates on collateral loans; commercial paper  $3\frac{1}{4}$  to  $3\frac{3}{4}$ , over-the-counter loans  $4\frac{1}{2}$  to 5, and collateral loans  $4\frac{1}{2}$  to 5, compared with 4 to  $4\frac{1}{4}$  a month ago. On October 30 the Chicago Clearing House Association voted unanimously to reduce the interest rate on country bank balances from 2 per cent to  $1\frac{3}{4}$ , the reduction applying to demand deposits as well as those payable within 30 days. This measure was designed to prevent further transfer to Chicago of funds from New York where a similar cut was made several months ago. Continued strong demand for cattle money is reported from some portions of the district. The position of country banks is practically unaltered from that obtaining a month ago; liquidation, though for the most part slow, is nevertheless progressing, and in areas less affected by an inferior corn crop, is reported as fairly rapid.

Loans to member banks by the Federal Reserve bank during the period from October 15 to November 19 were on a higher level than in the preceding five weeks, the figure of \$31,292,000 on the last named date being more than 4 million above October 15. On October 29 loans were reported as \$32,054,000, which constituted the highest point since August 20. The lessening volume of loans to member banks during the year has been more than offset by heavier holdings of government securities and enhanced purchases of bills in the open market, so that earning assets, aggregating \$149,745,000 on No-

vember 12, compared with \$126,232,000 on October 15, were the largest reported since January 2. A small decline to \$148,195,000 was shown on November 19. Federal Reserve notes in circulation on November 19 dropped more than 11 million in comparison with October 15, and over 200 million from the corresponding date last year, November 21, 1923.

## POSITION OF FEDERAL RESERVE BANK OF CHICAGO



Latest figures shown November 19, 1924, in thousands of dollars: Federal Reserve Notes, 200,915; Total Earning Assets, 148,195.

Loans and discounts of reporting member banks in Chicago and Detroit have shown a downward trend during recent weeks, the aggregate of \$1,586,187,000 on November 12, compared with \$1,628,436,000 October 15, reflecting declines in loans in Chicago on stocks and bonds as well as on "other" collateral. In other selected cities the drop between these dates was approximately \$2,500,000. Investments of reporting members increased in Chicago and Detroit as well as in other selected cities, the gain approximating 10 million in the aggregate of the two cities named, and 4 million in other selected cities. Demand deposits in Chicago and Detroit shrank nearly 50 million on November 12 from the figure shown October 15, but in other selected cities a rise of about \$1,500,000 was shown. Time deposits on November 12 rose over 20 million from October 15 in the total of Chicago and Detroit members, and a similar comparison for member banks in other selected cities indicated a gain of about \$1,500,000.

Commercial paper sold by nine dealers in this district in October aggregated 3.0 per cent more than in September and was 8.5 per cent above October, 1923. Paper outstanding on October 31 was less by 2.3 per cent than at the close of the preceding month, remaining, however, 11.5 per cent above a year ago. Customary rates in October were  $3\frac{1}{4}$ @ $3\frac{1}{2}$  per cent as in the preceding month, although a slight tendency toward the lower extreme of this range was noticeable. More dealers reported  $3\frac{3}{4}$  per cent for high than hitherto. The first two weeks of November evidenced a very limited firming tendency in rates. Paper was in fairly good demand by the banks but the supply was limited, some brokers having a market for more paper than was obtainable. This condition continued to the middle of November.

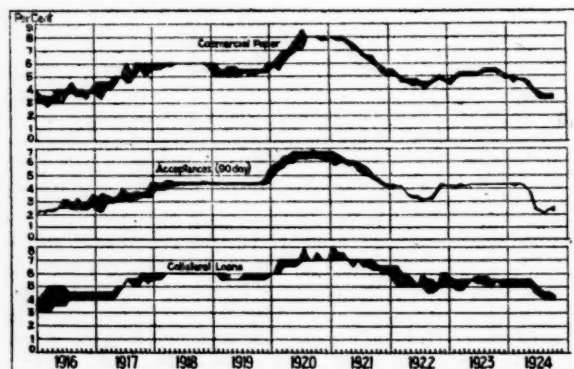


Purchases of bills by five dealers in this city during the four weeks ended November 12, averaged a weekly increase of 75.4 per cent above the preceding five-week period, principally as a result of greatly heightened buying from accepting banks. Average weekly sales were more than doubled in the period under review compared with the five weeks ended October 15. Local and out-of-town banks greatly increased their purchases from these brokers. Aggregate holdings of the dealers on November 12 were but slightly more than one-half those of October 15. Slightly firmer rates prevailed on November 12 than four weeks previous, one to three months' bills being bid at  $2\frac{1}{2}\%$  to  $2\frac{3}{4}\%$  per cent, and longer maturities at  $2\frac{3}{4}\%$  to  $3\frac{1}{4}\%$  per cent. The supply of acceptances remained limited and the demand light, movement at the offered rates continuing slow. Commodities principally involved were grain, packing house products, cotton, and sugar.

Seventeen banks in this district accepted 81.2 per cent more bills in October than in September, the volume remaining, however, somewhat under that of August. Purchases in October were many times those of September, while sales, more than doubled in comparison with that month, were exceeded but once, in July, 1924, over a period of about two years. Month-end holdings of all bills declined 10.6 per cent, and those of the banks' own acceptances were reduced 3.6 per cent. A large amount of bills matured during the month and the liability of the banks for acceptances outstanding on October 31 was reduced 15.0 per cent from September 30. All items were greatly in excess of those in the corresponding month a year ago.

The Federal Reserve bank in October purchased the largest volume of acceptances since February, amounting to \$20,644,798. Holdings advanced, aggregating \$23,743,312 at the close of the month compared with \$9,404,524 on September 30.

#### COMPARATIVE TREND OF CHICAGO MONEY RATES



Latest figures shown October, 1924: Commercial Paper,  $3\frac{1}{2}\%$  to  $3\frac{3}{4}\%$ ; Acceptances,  $2\frac{1}{2}\%$  to  $2\frac{3}{4}\%$ ; Collateral Loans,  $4\frac{1}{2}\%$  to  $4\frac{3}{4}\%$ .

**Agricultural Financing**—An aggregate of \$162,318,302 was reported as the loans outstanding in the five states including the Seventh district of twenty-two Joint Stock Land banks on October 31, compared with \$160,852,901 on September 30. Four Federal Land banks had loans outstanding in the same territory of \$146,423,440 at the

end of October, a gain of nearly \$2,500,000 over September 30, while four Intermediate Credit banks showed a gain in loans and rediscounts of about \$25,000 or a total of \$1,279,893 on October 31 as against the revised total of \$1,254,150 at the close of the preceding month. Tabulated below is the distribution by states of the outstanding loans of these banks as of October 31:

	JOINT STOCK LAND BANKS	FEDERAL LAND BANKS	*INTERMEDIATE CREDIT BANKS
Number of banks.....	22	4	4
Illinois .....	\$ 48,962,796	\$ 21,737,490	\$ 510,538
Indiana .....	31,569,092	32,423,200	18,331
Iowa .....	75,569,125	48,918,750	44,226
Michigan .....	1,661,289	18,394,100	1,615
Wisconsin .....	4,556,000	24,949,900	705,183
<b>Total</b> .....	<b>\$162,318,302</b>	<b>\$146,423,440</b>	<b>\$1,279,893</b>

\*Includes direct loans and rediscounts.

**Volume of Payment by Check**—Thirty-five clearing house centers in the Seventh district reported gains over September in the volume of payment by check in October, the increase of the entire group amounting to 10 per cent. The aggregate gain for the four larger cities of the district, Chicago, Detroit, Indianapolis, and Milwaukee, was 10 per cent; and for thirty-one smaller centers 10.2 per cent. The figures for October showed debits to individual accounts greater by 4.5 per cent in the four larger cities than in October last year, and 4.4 per cent in thirty-one smaller cities; for the entire group of thirty-five reporting cities the increase over October, 1923, was 4.5 per cent.

	AGGREGATE OCTOBER, 1924 (000's OMITTED)	PERCENTAGE CHANGES FROM SEPTEMBER, 1924	OCTOBER, 1923
Chicago .....	\$3,105,545	+10.3	+6.0
Detroit .....	690,865	+ 6.8	+2.2
Milwaukee .....	285,013	+15.7	-3.0
Indianapolis .....	155,928	+ 7.4	+0.4
<b>Total 4 cities.....</b>	<b>\$4,237,351</b>	<b>+10.0</b>	<b>+4.5</b>
<b>Total 31 cities.....</b>	<b>863,042</b>	<b>+10.2</b>	<b>+4.4</b>
<b>Total 35 cities.....</b>	<b>\$5,100,393</b>	<b>+10.0</b>	<b>+4.5</b>

Note: Figures for Milwaukee and Indianapolis in our November 1 report were transposed through typographical error.

**Savings**—Further advances in total savings deposits and average accounts were shown in reports from 201 banks in the district relative to conditions on November 1, as compared with the preceding month. Each state in the district showed advances in the volume of deposits, Michigan gaining 1.5 per cent, Iowa and Wisconsin 0.8 per cent, Illinois 0.6 per cent, and Indiana 0.3 per cent. The increase for the district was 0.9 per cent, generally ascribed to increased business activity. Iowa alone showed a contraction—3.3 per cent—in the average savings account on November 1 compared with the prior month. The largest gain was in Michigan, 1.4 per cent, and advances in other states were 0.5 per cent for Wisconsin, and 0.2 per cent each for Illinois and Indiana. The district increase was 0.2 per cent.

As compared with November 1, 1923, all states showed increased deposits, the gain in Iowa of 6.4 per cent being largest. In the other states, the gains were: Michigan, 5.6 per cent, Illinois and Wisconsin, 3.4 per cent, and Indiana, 0.1 per cent. Indiana and Iowa recorded average accounts 1.4 per cent and 0.1 per cent, respectively, below a year ago. The other states registered increases varying from 0.6 per cent in Wisconsin to 1.5 per cent in Michigan, the gain for the district amounting to 1.0 per cent.

**Bonds**—Activity in the mid-west bond market was fairly well maintained during the latter part of October but slowed down immediately preceding the election, largely due to the unsettled political conditions and the paucity of new issues. Since the election, however, trading has been very active in outstanding issues, especially in listed bonds. Although there has been some profit taking, prices in general have held fairly strong; but no outstanding advances have taken place with the exception of semi-speculative bonds, mostly rails. In the second week of November

considerable selling of Libertys and listed bonds had a slight reactionary effect on prices. Demand is best in public utility and railroad bonds, with emphasis rather on the latter class. Foreign issues continue in favor, as well as high-grade municipals, and on account of a yield of 6 to 6½ per cent, high grade real estate mortgage bonds are still in good demand. Reports from bond dealers indicate that the investing public is showing greater interest in the market than has been displayed for some time.

## AGRICULTURAL PRODUCTION AND FOODSTUFFS

Although weather conditions during October continued favorable for drying the corn crop, November 1 reports from agents representing 197,466 farmers in 133 counties of the Seventh district show that 16.0 per cent of the crop in Illinois, 31.4 per cent in Indiana, 25.2 per cent in Iowa, 40.9 per cent in Michigan, and 86.0 per cent in Wisconsin still remained too soft for cribbing or had already been converted into ensilage. According to a compilation made from these same reports, the portion of the 1924 crop of a merchantable quality aggregates 66.0 per cent for Illinois, 55.1 per cent for Indiana, 51.1 per cent for Iowa, 41.2 per cent for Michigan, and 9.0 per cent for Wisconsin. Much of the corn marketed thus far this season, however, contained such a large amount of moisture that it has graded lower than in ordinary years. Husking is now in progress but the average yield per acre obtained in most counties of the district is considerably smaller than that last autumn. Farmers in the district have practically completed marketing their 1924 wheat, the movement of all grain from farms being somewhat earlier than usual because of the attractive prices prevailing since harvest.

Grains seeded this autumn are going into the winter in fairly good condition, although plant growth has been delayed to some extent because of insufficient moisture this fall.

### CROP PRODUCTION

Estimated by the Bureau of Agricultural Economics as of November 1  
(In thousands of bushels)

	SEVENTH DISTRICT		UNITED STATES		1918-22 5-Yr. Av.
	PRELIMINARY 1924	FINAL 1923	PRELIMINARY 1924	FINAL 1923	
Corn .....	758,615	976,124	2,477,538	3,046,387	2,899,428
Oats .....	592,124	490,254	1,509,409	1,299,823	1,302,516
Total Wheat .....	64,900	82,965	855,806	785,741	880,989
Potatoes (White) .....	82,987	70,752	454,119	412,392	390,616
Tobacco* .....	39,577	50,354	1,213,975	1,491,066	1,360,661
Hay** .....	22,006	18,003	109,152	106,626	102,199
Barley .....			200,958	198,185	186,036
Rye .....			65,805	63,023	78,410

\*In thousands of pounds.

\*\*In thousands of tons.

District figures for barley and rye not available.

### GRAIN MARKETING

Receipts of wheat at interior primary markets in the United States during the period from the end of June to November 1 aggregated 88 per cent of the total arrivals in the preceding twelve months. During October oats and corn in smaller volume than in September, but wheat in slightly greater quantities, were received at terminals. Forwardings of oats, corn, and wheat from interior primary markets were heavier than in the prior month, the latter being four times as large as in October, 1923. A heightened volume of corn, and a lesser amount of oats, were shipped from these markets in October than in the corre-

sponding period of last year. October trading in grain futures on the Chicago Board of Trade exceeded that of the preceding month. Exports also increased over those for September. Chicago market prices of corn lowered slightly in October, but those for other grains averaged higher than in the prior month. By the middle of November, all prices were on a higher level than a month ago.

Visible supplies of wheat in the United States, Canada, and the United Kingdom aggregated 257,141,000 bushels on November 15, 1924, compared with 191,034,000 bushels on October 11, 1924, and 240,878,000 bushels on November 17, 1923.

### VISIBLE SUPPLY OF GRAIN IN THE UNITED STATES

Figures supplied by the Chicago Board of Trade  
(In thousands of bushels)

	WHEAT	CORN	OATS	RYE	BARLEY
November 15, 1924					
Warehouses and Afloat .....	98,100	7,285	67,603	19,701	5,568
Bonded .....	5,420		1,049	714	3,075
October 18, 1924					
Warehouses and Afloat .....	85,358	8,395	62,785	13,683	5,047
Bonded .....	3,895		569	828	1,281
November 17, 1923					
Warehouses and Afloat .....	73,379	1,063	19,769	17,452	3,594
Bonded .....	16,404		717	1,456	349

**Flour**—Production of flour in this district expanded during October for the third successive month. Reports from thirty-eight mills indicate an increase in output of 10.3 per cent over September and of 16.1 per cent over October, 1923. Although October is usually the peak month of the year, the aggregate of 682,299 barrels milled during that month in 1924 is the largest of any month since these firms started reporting in January, 1921. The amount of wheat flour produced was 11.0 per cent above the preceding month and 18.3 per cent greater than in October, 1923, while other flour increased 0.7 per cent over September, but declined 9.0 per cent from a year ago. The operating ratio of the reporting mills rose from 71.4 in September to 73.9 in October; in the corresponding month last year the rate of output was only 62.8 per cent. Reports from thirty-two mills showed lower stocks of wheat flour in October, the decline from September being 6.5 per cent and from October last year 21.5 per cent. Stocks of wheat continued to gain in the month-to-month comparison and were much larger than a year ago.

A decline of 8.0 per cent from September was recorded in the volume of flour sold by seventeen mills during October. The dollar value of these sales, however, was only 1.3 per cent less, reflecting the higher prices obtained for flour. In comparison with October, 1923, sales were 25.7 per cent larger in volume and 34.7 per cent greater in value.

The movement of flour through Chicago increased in October according to figures furnished by the Chicago

Board of Trade. Receipts were 1,227,000 barrels in October, 1,123,000 barrels in September, and 953,000 barrels in October, 1923. Shipments for the month aggregated 863,000 barrels, in the preceding month 771,000 barrels, and in October last year 816,000 barrels.

### MOVEMENT OF LIVE STOCK

Receipts of sheep declined but a larger volume of other live stock arrived at public stock yards in October than in September. Total receipts of cattle and hogs for 1924 to November 1 were less but those of calves, sheep, and lambs slightly greater than in the corresponding ten-month period last year. Although hog slaughter rose above the 1921-23 level for October, a decided curtailment in pig production last spring resulted in the early autumn marketings being approximately 20 per cent below totals for the corresponding period in 1923.

#### LIVE STOCK SLAUGHTER

	CATTLE	HOGS	SHEEP AND LAMBS	CALVES
Yards in Seventh District, October, 1924.....	289,303	846,324	348,819	119,856
Public Stock Yards in U. S. October, 1924.....	975,091	2,524,608	1,019,669	457,282
September, 1924.....	876,548	1,959,044	1,097,165	435,161
October, 1923.....	931,380	3,128,998	980,549	441,761
October, 1922.....	887,034	2,361,560	1,066,897	412,019
October, 1921.....	746,052	1,992,051	1,340,562	335,845

Reshipments of live stock to feed lots in October were seasonally increased over September. For the first time since April, cattle moved to farms in greater numbers than in the corresponding month last year. Fewer sheep were purchased for feeding than in October a year ago, but the total movement in 1924 to November 1 was in excess of the aggregate for the first ten months of 1923.

#### AVERAGE PRICES OF LIVE STOCK

Per hundred pounds at Chicago

	WEEK ENDED		MONTH OF	
	Nov. 15	OCT.	SEPT.	OCT.
	1924	1924	1924	1923
Native Beef Steers (average).....	\$ 9.60	\$10.30	\$ 9.70	\$10.15
Fat Cows and Heifers.....	4.85	5.00	5.40	5.45
Canners and Cutters.....	3.10	2.95	2.85	2.85
Stockers and Feeders.....	5.80	6.20	6.10	6.00
Hogs (bulk of sales).....	9.20	9.95	9.50	7.45
Sheep.....	6.50	6.35	6.05	6.45
Yearling Sheep.....	11.00	9.65	9.40	9.90
Lambs.....	13.85	13.40	13.30	12.95
Calves.....	9.00	10.40	11.75	11.10

**Meat Packing**—October production was greater than in September. Employment at slaughtering establishments increased 0.5 per cent in number, 4.2 per cent in hours worked, and 6.1 per cent in total payrolls for the period covered by the last October pay-date compared with the corresponding period in the prior month. Aggregate sales reported by forty-nine companies in the United States rose 8.7 per cent over the September total and increased 2.4 per cent above October, 1923. A reduction in inventories

during October brought holdings on November 1 lower than the 1921-23 three-year average for that date. Chicago market prices of the majority of pork products averaged higher; carcass beef held firm; but veal, lamb, pork loins, bacon, and a few cuts of beef, eased in October compared with September. Pork, lamb, and veal prices trended downward toward the close of October and by the middle of November were on a much lower level than in the prior month. Lamb prices moved upward in November.

After caring for domestic requirements, only moderate quantities of products were available for export. Straight sales were quite heavy but consignments were reduced to a minimum so that the shipments forwarded in October for export actually totaled less than in September. Unsettled conditions in domestic markets were partially responsible for a decline in foreign demand toward the close of October.

Consigned and spot stocks of packing house products in Europe were indicated as lower on November 1 than at the beginning of the prior month.

Prices in both Continental and British markets continue about on a parity with those in the United States.

### DAIRY PRODUCTS AND POULTRY

Output of creamery butter showed further seasonal contraction in October. The aggregate production reported by representative factories in the Seventh district decreased 13.1 per cent from September but advanced 13.2 per cent over that for the corresponding period in 1923. District sales of butter declined 6.6 per cent in October compared with the preceding month but were 15.6 per cent greater than in October last year. Wisconsin factories produced a slightly smaller quantity of cheese during the four weeks ended November 1 than in the prior period or between corresponding dates a year ago. Compared with September, the receipts of butter, cheese, and eggs lessened at Chicago, but those of poultry increased; a diminished quantity of eggs, cheese, and poultry and a heightened tonnage of butter were received in October than during the corresponding month in 1923.

November 1 cold storage holdings of poultry were greater in the United States than at the beginning of the prior month but stocks of dairy products were reduced. Inventories of eggs lowered but those of other products exceeded holdings on the corresponding date last year.

Prices of butter, eggs, turkeys, and geese trended upward at Chicago during the early part of November, but those for other commodities eased slightly.

### FUEL AND POWER PRODUCTION

#### COAL

The warm weather in October had a retarding effect upon the bituminous coal market, although output increased substantially over the preceding month. Buying of domestic sizes, which had been moderately heavy during September, declined perceptibly. Although the market for steam coals strengthened somewhat, business was only fair. Production increased slowly until the middle of the month, owing to accumulation of orders on domestic coal, but in the week ended October 18 began a definite decline.

For the week ended November 1 output was 10,065,000 tons, the lowest amount mined since the week ended September 20. The partial observance of a holiday, however, affected operations to some extent in that week. Total production for October aggregated 46,813,000 tons, an increase of 14.1 per cent over September. Daily average output in the week ended October 11 reached 1,759,000 tons, the highest level since the week ended March 1, but in the week ended November 1 had declined to 1,678,000 tons, which is below the corresponding weeks in the pre-



vious month and year. The average spot price of bituminous coal as reported by *Coal Age* rose steadily from \$2.06 on September 29 to \$2.12 on October 20, at which point it remained until October 27. The next two weeks, however, witnessed declines and on November 10, the average price was again \$2.06.

Trade in the Illinois and Indiana districts exhibited practically the same tendency as in the balance of the bituminous fields. Continued mild weather slackened demand considerably, but the filling of back orders maintained output at a fair rate. Production in Illinois was larger than for any month this year except January, the aggregate of 7,936,820 tons being 10.5 per cent in excess of that for September and 20.8 per cent above October a year ago. There was a further slight increase in this state in the number of hours worked and a decline in the percentage of time lost due to no market, but in Indiana an opposite trend existed.

The amount of bituminous coal loaded at Lake Erie ports during October showed a gain, according to figures furnished by the Ore and Coal Exchange. The increase over September was 6.0 per cent, while a 13.7 per cent decline from October, 1923, was registered. The actual tonnages are indicated below:

	OCTOBER, 1924	SEPTEMBER, 1924	OCTOBER, 1923
Cargo .....	3,382,112	3,184,289	3,918,764
Fuel .....	195,409	191,161	225,502
Total .....	3,577,521	3,375,450	4,144,266

Distribution of this coal to American lake ports also increased, the aggregate tonnage being the largest so far this year.

Anthracite demand held up better than did bituminous through most of October; steam trade was fair with stove coal leading in the sale of domestic sizes. Buying slowed

down considerably, however, the latter part of the month and first week in November. For three weeks output was reduced owing to floods in the mines, but for the week ended October 25 had again attained a high level of 1,927,000 tons, so that the aggregate of 7,674,000 tons for the entire month of October was slightly above that for September. In the week ended November 1 there was another decided lowering in production due to the observance of both Mitchell Day and All Saints' Day.

### ELECTRIC ENERGY

Reports to this bank from seven central station companies in the district reflect the customary October increase in average daily output and recession in sales of electric energy to industrial users as compared with September. Average working-day sales to industrial users gained 3.5 per cent over October, 1923, a sharp reversal of the trend exhibited by the recessions of the preceding three months. The year-to-year increases in items other than daily sales are somewhat smaller than in September. There was practically no change in the productive capacity of the plants compared with the preceding month, although a gain of 11.9 per cent was shown above a year ago.

### CHANGES IN OCTOBER, 1924, FROM PRECEDING MONTHS

Compiled from direct reports to this bank from seven companies

	OCTOBER 1924	PER CENT CHANGE FROM SEPTEMBER 1924	OCTOBER 1923
Plant output (K.W.H.) .....	533,652,134	+9.5	+4.1
Plant output (daily average—K.W.H.) .....	17,214,585	+6.0	+4.1
Peakload demand (K.W.) .....	1,285,027	+7.6	+1.8
Industrial sales (K.W.H.) .....	208,097,538	+3.2	+3.5
Industrial sales (working day average—K.W.H.) .....	7,707,316	—4.4	+3.5
	OCTOBER 1924	SEPTEMBER 1924	OCTOBER 1923
Ratio peakload demand to plant capacity .....	74.1	68.8	81.4
Load factor .....	55.8	56.6	54.6

### INDUSTRIAL EMPLOYMENT CONDITIONS

The seasonal increase expected for the month of October in industrial employment had not materialized by the middle of that month. The volume of employment reported remained practically the same as a month earlier, with even a slight tendency toward curtailment reflected in a decrease of not more than one-tenth of one per cent for a total of over 360,000 men. Steadier employment, however, resulted in a 3.6 per cent increase in the aggregate earnings, indicating an upward trend in industrial activity, although this had not reached a stage where additional workers were required. State employment offices report an improvement in employment conditions as evidenced by the ratio of the number of applicants to positions available. During the month of October, this ratio declined from 143 to 139 per cent in Illinois, and from 128 to 117 per cent in Indiana. Continued activity in construction work and in building materials generally has contrib-

uted greatly toward preventing a degree of unemployment which, with the inability of industries to absorb an extra supply of labor, might otherwise have become serious.

Two of the industrial groups listed in the accompanying table, showed definite declines in both men and payrolls. Inactivity in the manufacture of clothing generally brought about a heavy reduction in the textile and textile products group. The seasonal let-up in canning and preserving, as well as in the manufacture of ice, caused a decline in food products as a whole although meat packing maintained its previous level of both employment and payrolls. In paper and printing there was a loss in employment but payrolls held steady. In all other groups the increases in payrolls were marked, metals and metal products showing a gain of 7 per cent, although for this group also the volume of employment declined slightly.

### EMPLOYMENT AND EARNINGS—SEVENTH FEDERAL RESERVE DISTRICT

INDUSTRIAL GROUP	NUMBER OF WAGE EARNERS WEEK ENDED			TOTAL EARNINGS WEEK ENDED		
	OCTOBER 15	SEPTEMBER 15	PER CENT CHANGE	OCTOBER 15	SEPTEMBER 15	PER CENT CHANGE
All groups (10) .....	365,659	366,138	—0.1	\$9,163,332	\$8,847,391	+3.6
Metals and metal products (other than vehicles) .....	137,935	138,064	—0.1	3,107,912	2,905,001	+7.0
Vehicles .....	43,297	41,800	+3.6	1,334,170	1,226,537	+8.8
Textiles and textile products .....	29,382	30,135	—2.5	649,057	688,338	—5.7
Food and related products .....	50,985	53,458	—4.6	1,337,760	1,381,038	—3.1
Stone, clay, and glass products .....	11,978	11,920	+0.5	363,295	350,239	+3.7
Lumber and its products .....	33,175	33,012	+0.5	815,038	773,827	+5.3
Chemical products .....	9,569	9,022	+6.1	245,812	228,206	+7.7
Leather products .....	17,718	16,889	+4.9	361,642	353,830	+2.2
Rubber products .....	3,019	2,894	+4.3	80,978	77,603	+4.3
Paper and printing .....	28,601	28,944	—1.2	867,668	862,772	+0.6

## MANUFACTURING ACTIVITIES AND OUTPUT

### AUTOMOBILE PRODUCTION AND DISTRIBUTION

Automobile production statistics for October indicate very little change in the monthly production schedule of manufacturers reporting to this bank, but compared with the previous year, when production was increased to build up stocks, considerable decrease is shown. Passenger cars produced by identical manufacturers representing practically complete production, aggregated 257,839 in October, a loss of 0.9 per cent from September and 22.9 per cent from October, 1923. Trucks built during the month by identical manufacturers whose September output amounted to 30,154, numbered 30,597, a gain of 1.5 per cent over September and 3.2 per cent over the previous year. In October, 1923, trucks built aggregated 6.5 per cent more than in September.

Shipments of automobiles during October to their dealers by manufacturers whose production represented 69 per cent of the October total were 2.7 per cent less than in September and 30.9 per cent under October, 1923. Sales to consumers by these dealers decreased 1.9 per cent during the month, and 17.7 per cent compared with the corresponding month of the preceding year. Sales by dealers represented 96.9 per cent of receipts, compared with 96.1 per cent in September and 81.4 per cent a year ago.

Automobiles sold at wholesale during October by distributors in the Middle West reporting to this bank were in smaller volume than in the preceding month but greater than in October, 1923. Retail sales also decreased slightly, remaining considerably below those of a year ago. Stocks of new cars with dealers decreased from the preceding month and October, 1923, the year-to-year comparison showing the first drop since the compilation of these figures was begun in July, 1923. Used cars sold during October increased over September, as well as over October a year ago. The number of salable used cars in dealers' hands on October 31 was greater than on September 30, 1924, and October 31, 1923, the used cars on hand October 31 representing 125.8 per cent of the used car sales during the month.

#### DISTRIBUTION OF AUTOMOBILES

	Changes in October, 1924, from previous months		COMPANIES INCLUDED	
	PER CENT CHANGE FROM SEPTEMBER 1924	OCTOBER 1923	SEPTEMBER 1924	OCTOBER 1923
Number of new cars sold				
Wholesale .....	- 4.9	+27.1	44	43
Retail .....	- 1.7	-21.7	78	76
Value of new cars sold				
Wholesale .....	- 2.3	+26.4	44	43
Retail .....	+11.5	-16.2	78	76
New cars on hand at end of month				
Number .....	-12.0	- 8.5	81	79
Value .....	- 5.5	- 3.1	81	79
Used cars sold during the month	+ 3.4	+11.2	78	78
Salable used cars on hand at end of month				
Number .....	+ 6.9	+ 2.7	77	75
Value .....	+ 5.3	- 8.7	77	75

Automobiles exported from the United States during September numbered 11,655, with a value of \$8,866,205, compared with August exports of 12,220, valued at \$9,157,170, and 10,466 with a value of \$7,585,570 in September a year ago. Trucks exported during the month aggregated

2,306 in number and \$1,859,027 in value, compared with 2,351 in the preceding month with a valuation of \$1,791,655. A year ago exports of trucks were reported as 1,225 with a value of \$942,464.

### AGRICULTURAL MACHINERY AND EQUIPMENT

Domestic sales of agricultural machinery showed further seasonal recession in October, although the aggregate was slightly above the corresponding month in 1923. The average number of employees engaged in production at plants in the United States during October was equivalent to 54.1 per cent of the estimated normal number for that month. Although collections are improving slightly in a few localities, they continue somewhat slow in the southern, southwestern, and corn belt states.

#### PRODUCTION AND SALES OF FARM EQUIPMENT IN THE UNITED STATES

	Changes in October, 1924, from previous months		COMPANIES INCLUDED	
	PER CENT CHANGE FROM SEPTEMBER 1924	OCTOBER 1923	SEPTEMBER 1924	OCTOBER 1923
Domestic sales.....	-19.1	+ 3.9	100	100
Sales billed for export..	+36.8	+15.9	100	100
Total sales .....	-12.1	+ 6.0	100	100
Production .....	+ 6.1	-12.2	100	98

Sales based on dollar amounts. Production computed from employment.

### IRON AND STEEL PRODUCTS

An increased volume of buying in steel began the latter part of October, and after the election trade was still further stimulated, with more interest shown in 1925 requirements. The steel business displayed hesitancy, however, through the greater part of October and, with the exception of large orders for railroad and structural work, demand was somewhat slack. The unfilled orders of the United States Steel Corporation for that month were 3,525,270 tons. This represents a gain of only 1.5 per cent over September and is no doubt due to the quiet market existing the early part of the month and to a higher rate of production. Steel ingot production for the country aggregated 3,111,452 tons, an amount 10.5 per cent greater than in the preceding month, and the largest output since April. The average daily production gained 6.4 per cent over September, while the rate of output increased from 62.5 to 66 per cent.

As was the case in September, greater activity was apparent in the Chicago steel market than elsewhere. During the fore part of October, producers in this district were booking orders on sheets, wire products, and pipe faster than in other sections. Later in the month and the first weeks of November, although buying of these products was not so large, demand for plates, shapes, and bars improved materially, with some mills now sold up to the first of the year. Railroad purchases continued to lead the market, however, throughout this period, while orders for structural material were also large. The leading mills in this district reported increased sales for October of about 60 per cent and new orders passed to the mill were 18 per cent greater. Although operations continue to expand, unfilled orders appear to be increasing.

Demand for pig iron remained light in October with shipments better than sales. Beginning the first of November, however, buying and inquiry improved considerably, and at Chicago, especially, the volume of new business



received was the largest in some time. Purchases were mostly for the first quarter of 1925. The gain in October production of 20.6 per cent for the country was the largest of the year and the third successive monthly increase. The expansion in output in the Illinois and Indiana district was 29.3 per cent. Average daily production for the United States was 16.8 per cent above September and for the Illinois and Indiana district 25.1 per cent. There were nine additional furnaces blown in during the month.

Prices of iron and steel continued to weaken throughout October until on November 5, the composite average compiled by *Iron Trade Review* had reached a low point for the year of \$38.56. On November 12, a rise of 23 cents was recorded, the average price then being \$38.79, and on November 19 the average further advanced to \$39.21. The price of pig iron at Chicago has increased 50 cents, while scrap iron prices also are higher. In general, steel prices now tend toward higher levels, some advances for first quarter delivery having already been made.

**Zinc**—Greater activity was in evidence in the zinc market during October. Production of 42,488 tons represented the first expansion since May, the gain over September being 4.0 per cent. The number of retorts operating increased also from 70,875 in September to 72,139 for October. Shipments expanded 8.0 per cent and were larger than production, so that stocks are constantly being reduced. Plants shipped 8,299 tons of zinc for export, which is the largest amount of the year. In the Joplin district weekly average shipments of ore aggregated 16,400 tons or 19.1 per cent above those in September. The average price for October was \$42.34, compared with \$40.63 in September, and \$39.44, the average for October, 1923.

**Casting Foundries**—The increase in total melt in October over September was indicated by reports from district casting foundries as larger than for any month-to-month comparison since February, and the heightening in shipments in this comparison has not been exceeded since March. Reports show also that for the first time since February, 1924, all items covered in the returns from manufacturers advanced over the preceding month. The contractions shown by these items in comparison with a year ago are substantially the same as those of September. Plants were operated at 69 per cent of capacity in October, compared with 63 per cent in the prior month. Shipments in the month under review averaged \$132 per ton, compared with \$145 in September and \$155 in October a year ago.

#### CHANGES IN OCTOBER, 1924, FROM PREVIOUS MONTHS

	PER CENT CHANGE FROM		COMPANIES INCLUDED	
	SEPTEMBER	OCTOBER	SEPTEMBER	OCTOBER
	1924	1923	1924	1923
Pig iron consumed.....	+13.6	— 0.3	26	26
Iron scrap consumed.....	+39.1	—32.7	26	26
Steel scrap consumed.....	+12.9	—30.5	26	26
Total tonnage consumed.....	+14.9	—23.5	26	26
Castings shipped (tonnage).....	+13.3	—28.0	25	25
Castings shipped (dollars).....	+ 3.0	—38.5	26	26

**Stoves and Furnaces**—October shipments of stoves and furnaces by eighteen reporting manufacturers increased seasonally over September, although not to so great an extent as in either of the two preceding years. Orders accepted in the former month were somewhat less than in September, a month of unusually large bookings, and were

substantially below October, 1923. Stocks continued to decline in the month-to-month comparison and remained under a year ago, while production again advanced over the preceding month and year.

#### CHANGES IN OCTOBER, 1924, FROM PRECEDING MONTHS

	PER CENT CHANGE FROM		COMPANIES INCLUDED	
	SEPTEMBER	OCTOBER	SEPTEMBER	OCTOBER
	1924	1923	1924	1923
Shipments.....	+14.4	+ 3.9	18	17
Orders accepted.....	— 7.1	—28.8	14	13
Inventories.....	—13.5	— 6.2	14	13
Operations (moulding room).....	+10.7	+ 4.9	16	16

#### SHOE MANUFACTURING, TANNING, AND HIDES

Statistics compiled from reports sent direct to this bank by representative manufacturers in the Seventh district show a greater production of shoes in October than in the preceding month. Although total shipments did not quite equal September forwardings they exceeded current production. The unfilled orders on the books of twenty-three of these factories were sufficient for seven weeks' business based on the rate maintained by them in October. Aggregate stocks reported by twenty-seven companies were equivalent to 57.9 per cent of their October shipments. Collections continue to lag.

#### CHANGES IN THE SHOE MANUFACTURING INDUSTRY IN OCTOBER, 1924, COMPARED WITH PREVIOUS MONTHS

	PER CENT CHANGE FROM		COMPANIES INCLUDED	
	SEPTEMBER	OCTOBER	SEPTEMBER	OCTOBER
	1924	1923	1924	1923
Production.....	+ 4.8	— 0.8	35	34
Shipments.....	— 0.6	+ 2.4	35	34
Inventories.....	— 4.6	+ 1.9	27	26
Unfilled orders.....	+27.6	+12.4	24	23

Demand for harness improved while that for belting declined, but the aggregate sales of all leather billed by reporting tanneries rose slightly above totals for September, and were greater than in October last year. Prices are firmer than a month ago. Both employment and production in October rose slightly above the level for the prior month.

At Chicago, the October marketings of packer green hides and calf skins nearly doubled those in the prior month. Prices are trending slightly higher in early November.

#### FURNITURE

Furniture manufacturers in this district received a considerable volume of new business in October. The aggregate of orders booked by twenty firms reporting to this bank increased 3.4 per cent over September and 17.9 per cent over October, 1923. Shipments are keeping up well with orders, however, as evidenced in the October ratio of 98.3; in September this ratio was 95.7. Forwardings were 6.2 per cent heavier than in the preceding month, while unfilled orders declined 4.0 per cent; in comparison with October, 1923, the amount of unfilled orders on hand at the end of the month was also smaller by 4.5 per cent. Production continued to expand in October, as reflected in an operating ratio for seventeen firms of 80.0 compared with 77.5 in September, with almost four and one-half weeks' business still on the books. The rate of output was at a lower level than a year ago, however, that of thirteen firms being 83.8 in comparison with 88.3 in October, 1923. Collections improved over September and with the majority of firms conditions were as good or better than last year.

## RAW WOOL AND FINISHED WOOLENS

Unusually early contracting for the 1925 clip in Western territory wools and the purchase at high prices of a large volume of the Fall clip in Texas were the features of the raw wool situation during October. The growing scarcity of wool stocks is largely responsible for this early buying, as well as for the present strong position of the market. According to the latest report issued by the United States Bureau of the Census and by the Bureau of Agricultural Economics stocks of raw wool, tops, and noils held by dealers and manufacturers in the United States on October 1 were 331,506,814 pounds, an aggregate 16.6 per cent below the corresponding date in 1923; stocks held by dealers were 26.8 per cent less, while manufacturers' stocks declined 4.3 per cent. Price levels are very high, additional

advances on practically all grades having been recorded during October and early November. Although demand was somewhat less active than in September, manufacturers were in the market throughout October for considerable quantities of wool. The market for pulled wools was steady and that for noils active. American trading in foreign wools was rather quiet, due to light stocks and the high prices which are above those asked for the fine grades of domestic wools.

In the finished goods market price levels were slightly higher in October. A fairly satisfactory volume of orders has been booked for the Spring season, so that manufacturing activity has definitely expanded. Woolen mills are by far the most active, whereas the expansion in the worsted field has been less general.

## BUILDING MATERIALS AND CONSTRUCTION ACTIVITIES

Owing chiefly to the maintenance of a high rate of building construction, a steady demand for materials prevailed during October. In the lumber market additional factors which stimulated activity were increased buying by the railroads, by car manufacturers, and by industrial plants. Shipments of lumber were heavy, although production has been generally curtailed. Southern pine is in a stronger position than other woods. Orders for this product increased considerably in October and, although shipments have been going forward at a moderate rate, the amount of unfilled orders is gaining. Prices also are strengthening. In the northern hemlock and hardwood markets, shipments have been fair, with orders for hemlock slightly less than in September and those for hardwood somewhat larger. Prices, especially on maple flooring, hold firm. In the Seventh district twenty-eight manufacturers and dealers reported a gain in sales over September of 10.5 per cent and a decline from October last year of 10.3 per cent. In soft woods country retail yards and building contractors bought most heavily, while in hardwoods automobile, furniture, piano, and refrigerator companies were large purchasers. There were few collection difficulties reported.

Fair weather through October aided brick and cement manufacturers in this district in maintaining high production schedules. Request for these materials has been good, so that shipments continue large. Stocks, though not over heavy, are adequate for prompt deliveries. Cement shipments for the United States in October were again at an unequalled rate, the total amount forwarded being 17,081,000 barrels. Stocks declined to 6,143,000 barrels, or 26.9 per cent from September, but were still 33.2 per cent above those held a year ago. Output increased from 14,519,000 barrels for September to 14,820,000 barrels for October.

### BUILDING CONSTRUCTION

Building activity increased during October, stimulated by the favorable weather prevailing throughout the month. The value of contracts awarded in the Seventh district was 16.8 per cent greater than in September and 9.5 per cent above October, 1923. The total amount of building for the first ten months of 1924 exceeds that of the same period in the previous year by 2.9 per cent. Residential construction gained 9.3 per cent over September, but was 3.4 per cent less than in October last year. In each of the five states including the district, expansion over September was reported in construction volume. The gains ranged from 1.8 per cent in Wisconsin to 62.2 per cent in Iowa. With the exception of Indiana and Michigan, these states also showed the value of contract awards greater than October a year ago. The amount of residential building was larger than in September in Illinois, Iowa, and Wisconsin, and above the corresponding month in 1923 in Indiana, Iowa, and Wisconsin.

Reports received from fifty cities of the district reveal a gain over the preceding month in both the number and value of permits issued during October, the increases being 7.2 and 7.9 per cent, respectively. The number of permits was the largest since May and the value higher than at any time since June. In comparison with October, 1923, however, a decline was registered of 0.7 per cent in number and of 6.6 per cent in estimated cost. In both Indianapolis and Milwaukee there was a decided falling off from September in the amount of contemplated construction, while in Chicago, Detroit, and Des Moines there were unusually large gains. Detroit and Des Moines were the only large cities to show an increase over October, 1923, in the value of proposed work. Of the forty-five smaller cities, twenty-eight reported increases over the preceding month in the estimated cost of permits issued, while twenty had gains over a year ago.

## MERCHANDISING CONDITIONS

**Wholesale Trade**—October distribution of goods by reporting wholesale houses in this district in general fell below the corresponding dollar volume a year ago. Grocery dealers, the one exception, averaged but 4 per cent increase, as individually nearly half the stores reported declines. Likewise, the grocery group was the only one for

which the October-September comparison of sales was more favorable this year than last; in drugs and hardware—the two other groups to expand over September—the gains were smaller than in October, 1923; while in dry goods and, with one exception, in shoes, all reporting firms showed decreases, contrasting for the latter with a gain

in 1923, and averaging for the former a sharper drop than a year ago.

For neither of the two groups last named—dry goods and shoes—did sales reach the corresponding 1921 and 1922 volumes, although each of the other groups averaged about 9 per cent ahead of 1922 and exceeded 1921 by 13 per cent in groceries, 14 in drugs, and 29 in hardware.

October collections, influenced by the business expansion of the previous month as well as by the improved financial conditions among customers, were in larger volume than during September for all but nine dealers. Hardware reports especially were encouraging, the 18 per cent increase during the month exceeding the corresponding sales increase. For all groups, however, collections remain below a year ago, with the differences not wholly accounted for by the smaller volume of sales.

As in October, 1923, stocking up was most general and pronounced among grocery dealers, whose average inventory at the end of the month stood 15 per cent above the September 30 volume. All reporting dry goods firms and the large majority of hardware dealers, on the other hand, lowered their stocks during October, while in drugs and shoes, increases and reductions were about evenly divided. In comparison with inventories a year ago, the grocery group showed the only increase.

**Department Store Trade**—The majority of department stores reporting sales to this bank registered seasonal expansion during October. The rate of increase, however, was less pronounced than in previous years, and for the district as a whole was further reduced by declines at a few large houses, so that aggregate sales were only 2 per cent above the September volume. The warm weather prevailing during October and the pre-election influences explain in large part the slower development this year. In comparison with the corresponding month of 1923, all but eight stores showed declines, widening the discrepancy between the two years to 4.5 per cent for cumulative sales since July 1.

As in previous years, accumulation of stocks continued through October, all but six stores reporting higher inventories at the end of the month than on September 30, with an increase for the district of 7 per cent as against one per cent last year and about 5 per cent in 1921 and 1922. Comparisons with October 31, 1923, vary, over half the stores still inventoried below a year ago, but the entire group showing an increase of 4 per cent—the first since July. Average stocks so far in the second half of 1924 have been higher than a year ago for only seventeen out of forty-seven stores, but for twenty-five of the same group, have exceeded last year's stocks in proportion to sales.

With two exceptions October collections were heavier than during September, averaging for the district an increase of 25 per cent, which is nearly the same as in 1922 and 1923, when the gain in October over September was the largest month-to-month change of the year. About two-thirds of the stores, however, reported a smaller volume than in October, 1923, although gains in some of the larger cities brought the average for the district to 3 per cent above a year ago. Their ratio of 44.3 per cent to accounts outstanding at the beginning of the month compares with 46.3 per cent last year.

**Chain Store Trade**—All of the eight chain store systems reporting October sales to this bank showed an increase over September in total value, amounting to about 10 per cent each for drugs, groceries, and shoes, and averaging above that figure for musical instruments. Measured by the volume of business during the corresponding month of previous years, grocery and drug sales made new records this October, but in other commodities sales fell below last year.

**Mail Order Trade**—Although affected to some extent by the warm weather, mail order business during October at Chicago's two leading houses was over 30 per cent heavier than in September, and nearly 9 per cent larger than a year ago. Cumulative sales for the ten months of 1924 are 7 per cent ahead of last year, over 40 per cent in excess of the corresponding 1921 and 1922 volumes, and within four-tenths of one per cent of the 1920 sales.

## TRANSPORTATION

Reaching the peak for the year and making a new weekly record, loadings in the week of October 25 totaled 1,112,345 cars, and the total freight movement in October exceeded that of a year ago by nearly 100,000 cars. Of greater significance, however, is the fact that merchandise and miscellaneous loadings, and the grain movement, the latter stimulated by recent price advances, were the only commodity classes to show increases over 1923. Merchandise and miscellaneous freight, the volume of which is greater than all other commodity groups combined and which is recognized as an excellent barometer of general business conditions, exceeded the October, 1923, loadings by 4 per cent, and advanced 10 per cent above the preceding month.

Evidence pointing to the efficient handling of the current volume of traffic is afforded by the fact that in October surplus freight cars averaged 99,256 cars weekly. The net operating income for Class I Railroads during September, 1924, increased approximately 24 million dollars over last year, although loadings were nearly equal during the two periods.



# MONTHLY BUSINESS INDICES COMPUTED BY FEDERAL RESERVE BANK OF CHICAGO

(Index numbers express a comparison of unit or dollar volume for the month indicated, using the monthly average for 1919 as a base, unless otherwise indicated. Where figures for latest month shown are partly estimated on basis of returns received to date, revisions will be given the following month. Data refer to the Seventh Federal Reserve district unless otherwise noted.)

	No. of Firms	Oct., 1924	Sept., 1924	Oct., 1923	Sept., 1923
<b>Meat Packing—(U. S.)—</b>					
Sales (in dollars) <sup>1</sup> .....	64	108.6	99.9	105.4	104.3
<b>Casting Foundries—</b>					
Shipments (in dollars).....	29	73.9	71.9	121.2	105.4
<b>Stoves and Furnaces—</b>					
Shipments (in dollars).....	19	171.3	150.3	166.6	136.9
<b>Agricultural Machinery &amp; Equipment—(U. S.)<sup>2</sup>—</b>					
Domestic Sales (in dollars).....	130	82.6	102.1	82.1	90.2
Exports (in dollars).....	130	113.7	83.1	95.7	132.4
Total Sales (in dollars).....	130	87.2	99.2	84.1	96.5
Production.....	121	80.8	76.2	93.2	93.8
<b>Furniture<sup>3</sup>—</b>					
Orders (in dollars).....	23	139.2	135.4	120.4	122.6
Shipments (in dollars).....	23	154.3	147.4	165.2	134.5
<b>Shoes<sup>4</sup></b>					
Production (in pairs).....	36	167.9	160.2	173.7	148.0
Shipments (in pairs).....	36	180.0	181.1	173.3	169.7
<b>Electric Energy—</b>					
Output of Plants (KWH).....	10	166.0	151.8	160.6	142.8
Industrial Sales (KWH).....	10	175.9	171.3	167.5	167.7
<b>Freight Carloadings—(U. S.)<sup>5</sup>—</b>					
Grain and Grain Products.....		172.6	179.7	125.7	133.3
Live Stock.....		124.9	116.1	129.2	123.3
Coal.....		117.3	114.4	117.5	113.9
Coke.....		106.1	96.7	129.2	149.6
Forest Products.....		124.0	122.2	130.0	132.4
Ore.....		113.8	131.9	154.7	203.6
Merchandise and Miscellaneous.....		143.7	141.4	138.0	137.0
Total.....		135.7	134.4	133.0	134.4
<b>Iron and Steel—</b>					
<b>Pig Iron Production:<sup>6</sup></b>					
Illinois and Indiana.....		94.9	75.8	144.6	147.4
United States.....		95.4	81.7	121.2	124.3
<b>Steel Ingot Production—(U. S.)<sup>7</sup></b>					
Unfilled Orders U. S. Steel Corp. ....		58.8	57.9	78.0	84.0
<b>Automobiles—(U. S.)<sup>8</sup>—</b>					
<b>Production:</b>					
Passenger Cars.....		186.7	188.3	242.0	216.2
Trucks.....		118.3	116.6	114.6	107.7
<b>Shipments:<sup>9</sup></b>					
Carloads.....		155.3	156.6	202.2	172.2
Driveaways.....		72.5	71.7	96.8	101.1
Boat <sup>7</sup> .....		169.5	210.8	226.2	249.6
<b>Automobile Excise Tax Collections (7th F.R. District)—</b>					
New Automobiles.....		137.9	168.7	145.1	154.9
New Automobile Trucks.....		127.3	20.1	68.6	60.9
Parts and Accessories.....		51.4	51.8	73.8	76.7
<b>Stamp Tax Collections<sup>1</sup>—</b>					
<b>Sales or Transfers of</b>					
Capital Stock.....		122.6	137.3	103.8	123.9
<b>Sales of Produce on Exchange—Futures.....</b>					
		59.8	56.5	37.5	42.0
<b>Wholesale Trade—</b>					
<b>Net Sales (in dollars):</b>					
Groceries.....	43	88.4	81.6	84.9	85.6
Hardware.....	21	107.7	106.0	119.2	108.3
Dry Goods.....	14	93.7	114.5	106.1	114.3
Drugs.....	14	108.4	101.9	111.2	100.9
Shoes.....	7	47.1	55.7	78.4	69.6
<b>Retail Trade (Department Stores)—</b>					
<b>Net Sales (in dollars):</b>					
Chicago.....	9	131.1	115.3	141.9	117.1
Detroit.....	4	142.4	160.8	164.3	141.0
Des Moines.....	3	119.1	124.2	128.1	128.6
Indianapolis.....	5	143.9	132.3	163.0	133.1
Milwaukee.....	5	150.1	136.6	169.1	137.9
Outside.....	39	110.9	96.2	127.9	104.5
Seventh District.....	65	134.3	131.6	152.7	127.6
<b>Retail Trade—(U.S.)—</b>					
<b>Department Stores.....</b>					
Mail Order Houses.....	4	141	106	134	92
<b>Chain Stores:</b>					
Grocery.....	28	236	207	200	182
Drug.....	9	159	145	152	143
Shoe.....	6	138	124	139	137
Five and Ten Cent.....	5	203	169	180	151
Music.....	4	124	110	137	108
Candy.....	4	202	185	185	176
Cigar.....	3	144	137	138	140
<b>Flour Production—(In barrels).....</b>					
	42	139.3	126.3	117.4	103.6
<b>U. S. Primary Markets<sup>9</sup>—</b>					
<b>Grain Receipts:</b>					
Oats.....		197.8	291.0	144.5	135.6
Corn.....		126.5	147.8	110.4	124.3
Wheat.....		278.3	263.5	122.0	142.3
<b>Grain Shipments:</b>					
Oats.....		102.4	87.9	106.4	86.6
Corn.....		79.1	78.3	60.6	77.5
Wheat.....		224.5	184.6	60.6	96.1
<b>Building Construction—</b>					
<b>Contracts Awarded (in dollars):</b>					
Residential.....		152.0	139.1	157.4	89.9
Total.....		116.0	99.3	105.9	92.3
<b>Permits:</b>					
<b>Chicago.....</b>					
Number.....		249.7	243.9	294.7	220.2
Cost.....		274.4	233.0	320.6	321.0
<b>Indianapolis.....</b>					
Number.....		294.8	283.3	282.0	240.9
Cost.....		195.0	244.6	258.7	154.9
<b>Des Moines.....</b>					
Number.....		202.0	200.0	230.4	289.3
Cost.....		474.2	96.1	135.0	193.1
<b>Detroit.....</b>					
Number.....		223.8	209.6	191.5	184.3
Cost.....		216.2	181.1	180.5	140.4
<b>Milwaukee.....</b>					
Number.....		234.0	205.1	269.0	203.4
Cost.....		195.4	365.7	310.8	166.9
<b>Others (45).....</b>					
Number.....		241.4	227.7	238.8	213.0
Cost.....		164.2	157.5	179.6	170.9
<b>Fifty Cities.....</b>					
Number.....		240.1	223.9	241.7	207.7
Cost.....		221.3	205.1	236.8	210.6

1. Monthly average 1920-1921=100; 2. Monthly average 1923=100; 3. Monthly average 1919-1920-1921=100; 4. Monthly average of mean of production and shipments in 1919=100; 5. Average daily production; 6. Monthly average 1920=100; 7. Base figures (1920) partly estimated; 8. First Illinois internal revenue district; 9. Monthly average receipts 1919=100.

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